Home entertainment goes 3D

Viewers could soon be reaching for glasses to watch movies at home

London 31st March 2009: Media analyst Screen Digest's (www.screendigest.com) latest research examines the emerging market for 3D home entertainment. As more 3D movies are released in the cinema, technology is arriving that will allow viewers to enjoy the same experience from the comfort of their own sofa. At present the most reliable technology will require consumers to invest in a new TV and wear special 3D glasses, but Screen Digest believes that autostereoscopic technology will eventually become most popular as it has one major advantage: no glasses.

The report's forecasts underline that this is a market in its infancy and that mass uptake is a long way off. Screen Digest has identified two scenarios for the evolution of the market. Should a unifying standard emerge that works across all technologies, the percentage of TVs sold with 3D capability would exceed 10 per cent worldwide in only three years (2011) and by 2015 would account for 16 per cent of TV sales, with just over 400m units sold worldwide. Without a standard, this figure drops to only three per cent by 2015 or 85m units.

As 3D requires twice the broadcast bandwidth of today's two-dimensional viewing experience, Screen Digest expects Blu-ray Disc to provide the main method of distribution, as its hi-def content capacity bypasses the bandwidth issue altogether. With Screen Digest analysis revealing a significant premium of up to 50 per cent on cinema tickets for 3D films, the Hollywood Studios have a vested interest in getting 3D entertainment into homes. Keen to avoid a costly replay of the hi-def disc format war, industry associations are already working together to establish a viable roadmap to make that happen. But due to higher bandwidth and incremental production costs, when it does come to the small screen, 3D TV programming will be the reserve of paying customers only.

What's on 3D?

3D movie production has increased rapidly. In 2008, there were seven films; in 2009 there will be 17 and a further 28 are due to be released in 2010. Compared with live action, animated films are much easier to adapt to 3D and Disney and DreamWorks Animation have been quick to grasp the opportunity. Together they account for more than half of the 3D film release slate. It is more challenging to produce 3D TV programming on broadcasting budgets, yet nonetheless several broadcasters have launched trials around sporting events.

Screen Digest believes that ultimately it may be 3D games and not movies or TV that arrives in the home first. Gaming is an early adopter market, consoles and software could be upgraded relatively painlessly and gamers are more willing to adopt peripherals such as glasses, all of which make it an ideal home entry point for 3D technology.

Marie Bloomfield, Analyst at Screen Digest says "What 3D offers the Studios and pay TV operators is an opportunity to charge a premium for content – perhaps even more so than high definition. But as it is emerging in the middle of a recession, the home 3D market is in a Catch 22 situation. Consumers will not be persuaded to invest in new equipment to experience 3D until there is enough content; and content production will not ramp up until there is a significant audience. 3D in the home will therefore be a slow burn, remaining a niche business for the foreseeable future."

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About this research

The research in this press release is taken from Screen Digest's report, *3D in the home: Market forecast and assessments*. Published in March 2009, it includes worldwide projections for sales of 3D-capable displays to 2015 based on uptake scenarios, with a breakdown for key markets. The report evaluates available technology for display and distribution, providing an overview of 3D standardisation efforts for compression and delivery, and offers an assessment of the 3D content pipeline for movies, TV programming and video games, examining 3D's potential to generate incremental revenue.

About the authors

Marie Bloomfield, Analyst. Marie is an Analyst in the broadband media team. She tracks developments in broadband content markets, connected devices, and the evolving relationship between physical and digital entertainment businesses. Marie was formerly a member of Screen Digest's video department, where she was responsible for research and analysis across the European video market and assessing emerging trends.

Tom Morrod, Senior Analyst. Tom is the senior analyst for TV and broadcast technology at Screen Digest. Tom has developed Screen Digest's TV Technology Intelligence service and is responsible for all related projects focused on the technology value chain, across industries such as set-top boxes, conditional access and middleware, infrastructure and distribution, codecs and licensing, t-commerce and broadcast hardware & software

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